



Royal British Legion Industries (RBLI) Anti-Money Laundering Policy

1. Introduction

Royal British Legion Industries (RBLI), a registered charity and company limited by guarantee, provides employment, support, housing, and care to the British Armed Forces community. Our income comes from donations, fundraising and our two social enterprises in Kent and Scotland, which as well as providing jobs for veterans are successful manufacturing businesses. RBLI is deemed low risk in relation to money laundering however this assessment will be reviewed on a regular basis, in line with the review of this document, or whenever circumstances change such that this risk may be heightened.

The purpose of this Policy is to protect our business and our staff from being exposed to money laundering.

2. Context

The main legislation in relation to anti-money laundering is:

Primary: The principal primary legislation is 'The Proceeds of Crime Act 2002' (POCA), which consolidated, updated, and reformed criminal law regarding money laundering. This is supplemented by the 'Terrorism Act 2000' and the 'Fraud Act 2006'.

Secondary: The principal secondary legislation is the 'Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations', as amended by the 'Money Laundering and Terrorist Financial (Amendment) Regulations 2019'.

3. Statement of Intent

RBLI is committed to preventing the Charity and its employees being exposed to money laundering; identifying the risks where it may occur; and complying with legal and regulatory requirements, especially regarding reporting suspected cases.

4. Scope

This Policy is applicable for all trustees, staff, and volunteers within RBLI and, where relevant, our partners.

5. What is Money Laundering?

Money laundering is the process where criminals attempt to hide and change the identity of the proceeds of their crime so that they appear legitimate. The various stages are termed placement, layering and integration:

- placement – 'dirty money' is placed directly into the financial system
- layering – the proceeds are moved through a series of financial transactions, making it harder to establish their origin
- integration – the money launderer creates a legitimate explanation for the source of the funds allowing them to be retained, invested into the legitimate economy or to acquire assets.

The following constitute the act of money laundering:

- Concealing, disguising, converting, transferring criminal property, or removing it from the UK (section 327 of the 2002 Act); or
- Entering into or becoming concerned in an arrangement which you know, or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328); or
- Acquiring, using, or possessing criminal property (section 329); or
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorist Act 2000).

These are the primary money laundering offences and thus prohibited acts under the legislation.

There are also secondary offences: failure to disclose any of the primary offences; and tipping-off. Disclosure includes failure to disclose knowledge or suspicion of money laundering to the Money Laundering Reporting Officer (MLRO) and failure by the MLRO to report knowledge or suspicion of money laundering to the National Crime Agency (NCA). Tipping-off is where someone informs a person or people who are, or are suspected of, being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

Potentially any member of staff could be caught by the money laundering provisions if they suspect money laundering and do nothing about it or become involved with it in some way. This Policy sets out how any concerns should be raised. The key requirement for RBLI employees and partners is to promptly report any suspected money laundering activity to the RBLI's Money Laundering Reporting Officer (MLRO). A template for reporting is attached at Appendix 1.

Employees should be particularly alert to situations where funds flow through the Charity from unfamiliar sources. Where RBLI is forming a new business relationship or is considering a significant one-off transaction with a new client, evidence of the identity of the prospective client should be obtained before proceeding.

Whilst the risk to the RBLI of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation.

6. What are the obligations on the RBLI?

Organisations conducting 'relevant business' must:

- appoint a MLRO to receive disclosures from employees of money laundering activity (their own or anyone else's);
- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain client identification procedures in certain circumstances; and
- maintain record keeping procedures.

Not all RBLI's business is 'relevant' for the purposes of the legislation. It is mainly accountancy and financial; and company and property transactions undertaken by Legal Services. However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the RBLI; therefore, all staff are required to comply with the reporting procedure set out in section 6 below.

7. The Money Laundering Reporting Officer

The officer nominated to receive disclosures about money laundering activity within the RBLI is the Director of Finance, the appointed MLRO. The MLRO is responsible for ensuring that appropriate anti-money laundering systems and processes are incorporated across the business.

8. Disclosure Procedure Cash Payments

No payment to the RBLI should automatically be accepted in cash (including notes, coins or travellers cheques in any currency) if it exceeds £1,000. This does not, however, mean that cash transactions below this value will be valid and legal and should not raise suspicion. Professional scepticism should always be retained.

Staff who collect cash payments are asked to provide the details of any cash transaction over £1,000 to the MLRO so that precautionary checks can be performed.

The RBLI, in the normal operation of its services, accepts payments from individuals and organisations. If an employee has no reason to suspect or know that money laundering activity is taking place and if the money offered is less than £1,000 in cash as payment or part payment for goods/services offered by the RBLI then there is no need to seek guidance from the MLRO.

If a member of staff has reasonable grounds to suspect money laundering activities or proceeds of crime, or is simply suspicious, the matter should still be reported to the MLRO. If the money offered is £1,000 or more in cash, then payment must not be accepted until guidance has been received from the MLRO even if this means the person has to be asked to wait.

Any officer involved in a transaction of this kind should ensure that the person provides satisfactory evidence of their identity personally, through passport/photo driving licence plus one other document providing evidence of current address in the form of a bank statement, credit card statement, mortgage or insurance details or a utility bill. Where the other party is a company, this can be done through company formation documents or business rate bill.

9. Reporting to the Money Laundering Reporting Officer

Any employee who becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, must disclose this promptly to the MLRO. The disclosure should be at the earliest opportunity of the information coming to your attention, not weeks or months later. Should you not do so, then you may be liable to prosecution. Appendix 1 provides a template for reporting.

The employee must follow any subsequent directions from the MLRO and must not make any further enquiries themselves into the matter. Additionally, they must not take any further steps in the transaction without authorisation from the MLRO.

The employee must not disclose or otherwise indicate their suspicions to the person(s) suspected of money laundering. The person concerned should be advised that routine RBLI procedures require secondary authorisation prior to large cash amounts being processed. The employee must not discuss the matter with others or note on a file that a report has been made to the MLRO in case this results in the suspect becoming aware of the suspicion.

10. Consideration of the disclosure by the Money Laundering Reporting Officer

The MLRO must promptly evaluate any disclosure to determine whether it should be reported to the National Crime Agency (NCA). In doing so the MLRO should determine if there is actual or suspected money laundering taking place or if there are reasonable grounds to know or suspect that this is the case. Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they will give consent for any on-going or imminent transaction(s) to proceed.

The MLRO must, if they so determine, promptly report the matter to the NCA on their standard report form and in the prescribed manner. Up to date contact details can be found on the NCA website at: <http://www.nationalcrimeagency.gov.uk/> (main NCA website)

Where consent is required from the NCA for a transaction to proceed then the transaction(s) in question must not be completed until the NCA has given specific consent, or there is deemed consent through the expiration of the relevant time limits without objection from the NCA.

All disclosure reports referred to the MLRO and reports made to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

The MLRO will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

11. Record Keeping

The MLRO will keep a record of all referrals made to them and of any action taken / not taken. The precise nature of these records is not set down in law but should be capable of providing an audit trail during any subsequent investigation.

All personal and commercially sensitive data must be collected and stored in accordance with RBLI Data Protection and Information Security Policies and Procedures.

12. Guidance and Training

In support of this Policy, the RBLI will:

- make all staff aware of the requirements and obligations placed on the RBLI and on themselves as individuals by the anti-money laundering legislation; and
- give targeted training to those most likely to encounter money laundering.

13. Raffles and Lotteries

The MLRO to be informed of any new fundraising initiatives that could be subject to Money Laundering activities. RBLI has set out the following section to reflect requirements and obligations placed on RBLI when commencing one of these initiatives:

- Conduct regular financial cross reference with the Charity's External Lottery Manager (ELM) throughout the campaign
- Ensure no person is enrolled into any of its lottery schemes if that person is suspected of any potential or actual criminal activities
- Freeze any transaction that appears to be suspicious, and any other transaction made by the same supporter
- Conduct a regular review and assessment of the money laundering risks to its business, both remote and non-remote
- Ensure unusual patterns of transactions, and high account turnover, will be investigated thoroughly
- Train all staff related to the lottery/raffle to look out for any suspicious activity relating to purchase of lottery tickets
- Ensure all such activity will be reported to the MLRO at RBLI, Police or National Crime Agency or Serious Organised Crime Agency and the Gambling Commission, where deemed necessary
- Ensure the ELM program only to allow supporters residing in the UK are to enter lottery/raffle

- Limit the number of lottery tickets sent to ‘warm supporters’ to a value of £100, per campaign. Any requests for additional tickets in excess of the limit will be referred to by the ELM to RBLI
- Maintain a record of all non-returned tickets, where required
- All information and records will be retained by the ELM in-line with their legal and regulatory requirements.

14. Further Information

Further information can be obtained from the MLRO and the following sources:

- National Crime Agency (NCA) – <http://www.nationalcrimeagency.gov.uk>
- CIPFA - www.cipfa.org/membership/practice-assurance-scheme/antimoneylaundering • CCAB - Anti-Money Laundering (Proceeds of Crime and Terrorism) – Guidance for Accountants – www.ccab.org.uk
- The Law Society - Anti-Money Laundering Guidance and Advice - <http://www.lawsociety.org.uk/advice/anti-money-laundering/>

15. Relevant Documents

This Policy has links to a number of other RBLI documents as noted below:

- Whistleblowing Policy
- Anti-Bribery Policy
- Code of Ethics & Professional Conduct Policy
- Gifts and Hospitality Policy

16. Breach of Policy

Failure to comply with this Policy could have a negative reputational impact on RBLI and personal consequences for the member of staff involved. Such situations can also lead to an investigation by the Charity Commission or other regulators.

Failure by a RBLI employee to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the RBLI’s Disciplinary Policy.

17. Version Control

Revision	Author	Reviewed by	Date	Approved by	Date
v1	Graham Nobbs, Finance Director	Susan Stoker, Head of Governance	03.03.21	Steve Sherry, Chief Executive	26.03.2021



Steve Sherry CMG OBE
Chief Executive

March 2021

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Report to Money Laundering Reporting Officer – Potential Money Laundering Activity

To: Money Laundering Reporting Officer	[insert name]
From:	[insert name and title]
Date:	[insert date]
Urgent:	Yes / No [insert date response required by]
Details of suspected / known offence	
<p>[insert the following details:</p> <ul style="list-style-type: none"> - name and address of person(s) involved - nature, value, and timing of activity involved - nature of suspicions regarding the activity - details of any further investigation that has been undertaken - details of anyone else that suspicions have been discussed and explanation as to why this was necessary - any other relevant information] <p>Note: do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described as this may constitute a ‘tipping’ off offence</p>	
Signed:	

Appendix 1 – Template Report

The following section of this form is to be completed by the MLRO	
<u>Date report received:</u>	[insert date]
<u>Date receipt of form acknowledged:</u>	[insert date]
Consideration of Disclosure and Resulting Action Plan	
<p>[note the following:</p> <ul style="list-style-type: none"> - are there reasonable grounds for suspecting money laundering activity? - if yes will a report be made to the NCA? - date of report to the NCA - if not making a report to the NCA why not? - details of liaison with the NCA regarding the report - any other relevant information, including notice and moratorium periods and relevant consents required for any ongoing or imminent transactions - date consent received - date consent given to employee] 	
<u>Signed:</u>	
<u>Dated:</u>	